

# News release

28 July 2023

## Coventry Building Society reports strong half year results based on above market growth in mortgages and savings

Coventry Building Society delivered a strong performance in the first half of 2023, with above market growth in savings and mortgages, exceptional service to members and brokers, and more support for the wider community.

**Steve Hughes, Chief Executive at Coventry Building Society, said:** “In a fast-moving interest rate environment we continue to do the basics right. We’ve attracted more members with great value products backed by brilliant service from my colleagues in our contact centres and branches.

“We’ve grown our mortgage balances in a broadly flat market, with gross advances of £4bn more than 5% up on the same period in 2022, and net growth of £0.8 billion helped by improved mortgage retention. Our quality of lending and proactive approach to supporting customers has kept arrears low at 0.22%, less than a third of the industry average.<sup>1</sup> Whilst the rising interest rate environment has presented real challenges to homeowners, landlords and tenants we’ve stayed open for business and provided borrowers and brokers alike with the service, value and support they need.

“Paying amongst the best savings rates in the market has meant we’ve increased the premium we pass on to members to £163m, more than 60% higher than the same period last year, with a particular focus on rewarding loyalty. Our members have appreciated our speed in announcing and implementing increases to their savings accounts and whilst we have experienced high demand at times, our satisfaction scores show the value they place on the service we offer. The combination of competitive products and great service has seen more than 400,000 new savings accounts opened in the first half of the year.

“Our competitiveness and service are based on strong financial foundations. We’ve delivered strong profitability, and increased our capital strength, by balancing the benefit we return to today’s members with protecting and investing in the Society for the benefit of future members.

For more information or additional comment please contact the press office on **0800 121 6868** or email [media@thecoventry.co.uk](mailto:media@thecoventry.co.uk)

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details.

Coventry Building Society. Principal Office: Coventry House, Binley Business Park, Harry Weston Road, Coventry, CV3 2TQ. [www.thecoventry.co.uk](http://www.thecoventry.co.uk)

“An important part of this investment is the difference we make to colleagues and the community. We are all immensely proud to improve our ranking as one of the UK’s Great Places to Work, and there is real excitement across the business about our new partnership with Centrepont and our shared ambition to end youth homelessness. Our recently announced B Corp accreditation -the first building society to gain this award - underlines our commitment to our people, members, customers, suppliers and communities.”

Performance highlights include:

### Growing mortgages and savings

- **Mortgage balances grew by £0.8bn (1.7%) to £48.8bn.** We have grown mortgage balances in a broadly flat market by taking a responsible approach to lending that reflects current market conditions and the needs of our members. Gross advances of £4.0bn increased by 5.2% on H1 2022.
- **Savings balances grew by £3.2bn (7.5%) to £45.5bn.** We have grown savings by offering competitive products, with a focus on rewarding loyalty. We have paid higher savings rates than the market average, increasing the premium we pay members by more than 60% from £99m to £163m.

### Strong financial performance

- **Profit before tax of £269m** (H1 2022: £158m). The rising interest rate environment supported an improved income performance with a net interest margin of 1.34% (H1 2022: 1.11%) even after offering better rates to savers and protecting variable rate mortgage customers from the full rises in interest rates.
- **The Society’s leverage ratio increased to 5.5%** (FY 2022: 5.2%). Strong profitability has strengthened our capital position and resilience facing into a weaker economic outlook. The Common Equity Tier 1 (CET 1) ratio has also strengthened and remains well above statutory requirements at 30.4% (FY 2022: 27.4%).
- **Continued low arrears balances of 0.22% of mortgages more than three months in arrears (FY 2022: 0.17%).** The credit quality of our mortgage book remains resilient and less than a third of industry average<sup>1</sup>.

### Delivering on our service promise whilst continuing to invest for the future

- **Excellent customer service** with Experience Net Promoter Score of +74 (FY 2022: +75) and investment in operational capacity during a period of exceptional demand from members, customers and brokers.
- **Invested £44m in H1 2023** in technology infrastructure, digital transformation, operational and financial resilience with further key milestones due in H2.

### Supporting colleagues and the communities we serve

- We launched our new **corporate partnership with Centrepont** to support its national and local programmes to end youth homelessness.
- **First building society to achieve B Corp status.** We’re the first UK building society to be awarded B Corp accreditation, global gold standard for sustainability.
- **Improved our ranking in the Great Place to Work table of super large organisations from 17 to 13**, as well as being recognised as one of the best places to work for women in super large UK companies.

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Coventry Building Society's half year results can be read in full at

<https://www.coventrybuildingsociety.co.uk/member/financial-results.html>

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1. Based on UK Finance Q1 2023 published data.

For further information:

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#### Notes for Editors

#### Coventry Building Society

Coventry Building Society is one of the UK's largest building societies and a top ten UK savings and mortgage provider.

Coventry Building Society is committed to making financial services simple and open for its members. Its website allows savers to compare the Coventry's savings accounts with similar products across the whole of the market.

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